

RQ-2



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

March 3, 2004

Fred Holladay, Treasurer
National Federation of Independent Business/
Save America's Free Enterprise Trust
1201 F Street NW, Suite 200
Washington, DC 20004

Response Due Date:
April 2, 2004

Identification Number: C00101105

Reference: Amended September Monthly Report (8/1/03-8/31/03), received
10/17/03; October Monthly Report (9/1/03-9/30/03), November Monthly
Report (10/1/03-10/31/03)

Dear Mr. Holladay:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

- Your report discloses memo entries on Schedule A supporting line 11(a)(i). However, these entries do not appear to be connected to any other transaction(s) disclosed on your report. Please note that while the amount of a memo entry is not included in the total dollar amount for the corresponding schedule, it is used to provide supplemental information about an itemized transaction that is included in the total receipts figure. You report memo entries that do not appear to correspond with any such itemized transaction(s). Please amend your report to correct this discrepancy.

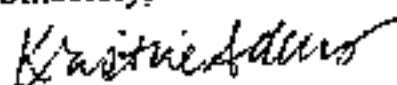
In addition, if these memo entries were meant to reflect contributions from partnerships, please be advised that contributions from partnerships should be disclosed as receipts on Schedule A supporting Line 11(a)(i) of the Detailed Summary Page. Further, you must disclose, as a *memo entry*, the name, address, occupation, name of employer, date of receipt, partner's share of contribution and aggregate year-to-date total of contributions made by that partner. Please see the enclosed sample of properly reported partnership contributions. 11 CFR §§110.1(e) and 104.8

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Operating expenditures should be properly disclosed on a separate Schedule B, supporting Line 21b of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. Requests for extensions of time in which to respond will not be considered. Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,



Kristine Adams
Campaign Finance Analyst
Reports Analysis Division

5. Reporting Partnership Contributions

Included in Total Figure

Partnership contributions are included in the total figure reported for "contributions from individuals/persons other than political committees" on the Detailed Summary Page of Form 3X.

Itemization

If a partnership contribution exceeds \$200 or aggregates over \$200 during a calendar year, the committee must itemize the contribution on a Schedule A used for "Contributions from Individuals/Persons Other Than Political Committees" (Line 11a(8)).

Additionally, if an individual partner's share of the contribution exceeds \$200 when combined with other contributions received from that partner in the same calendar year, the committee must disclose, as a *memo entry*, itemized information on the partner (name, address, occupation, date contribution received, partner's share of contribution and aggregate year-to-date total of contributions made by that partner). 104.8 and 110.1(a).

In-Kind Contributions

A committee reports the value of an *in-kind contribution* from a partnership in the same way it reports a monetary contribution. In addition, as with all in-kind contributions, the committee must report the value of the in-kind contribution as an operating expenditure. Moreover, an in-kind contribution itemized on Schedule A must also be itemized on a Schedule B for operating expenditures. 104.13 and 110.1(a). (See page 31.) However, any information about a partner itemized as a *memo entry* on Schedule A does not have to be reported on Schedule B.

6. Partnership Contribution Plans

In several advisory opinions (AOs), the Commission has said that a partnership may set up an internal plan to facilitate contributions from individual partners or the partnership as a whole to candidates or political committees (other than a non-

PARTNERSHIP CONTRIBUTIONS

SCHEDULE B ITEMIZED RECEIPTS Contributions from Individuals		FORM 3X-104 PAGE 1 OF 2 FOR 104X-104 (104X-104)	
Any information furnished for this Schedule B must be true and correct. It is subject to audit by the Commission for the purpose of determining if the information is correct and if the contributions are properly reported.			
NAME OF CONTRIBUTOR (Print) State Party Committee			
1. Full Name, Address, City, State, ZIP Seymour, John & Howard 4500 Stogard Street City, State ZIP	2. Name of Partnership partnership	3. Date received (MM/YY) 8/4/88	4. Amount of each Partnership Share \$750.00
5. Description of Contribution Other (check box) <input type="checkbox"/> Monetary <input type="checkbox"/> General	6. Aggregate Year-to-Date \$750.00	7. Date received (MM/YY) above	8. Amount of each Partnership Share \$580.00 MEMO
9. Full Name, Address, City, State, ZIP Curly Howard 81 Lenden Street City, State ZIP	10. Name of Partnership see above	11. Date received (MM/YY) above	12. Amount of each Partnership Share \$580.00 MEMO
13. Description of Contribution Other (check box) <input type="checkbox"/> Monetary <input type="checkbox"/> General	14. Aggregate Year-to-Date \$580.00	15. Date received (MM/YY) above	16. Amount of each Partnership Share \$580.00 MEMO
17. Full Name, Address, City, State, ZIP Larry Fine 158 Carriage Circle City, State ZIP	18. Name of Partnership see above	19. Date received (MM/YY) above	20. Amount of each Partnership Share \$580.00 MEMO
21. Description of Contribution Other (check box) <input type="checkbox"/> Monetary <input type="checkbox"/> General	22. Aggregate Year-to-Date \$580.00	23. Date received (MM/YY) above	24. Amount of each Partnership Share \$580.00 MEMO
25. Full Name, Address, City, State, ZIP Mike Howard 87 Told Avenue City, State ZIP	26. Name of Partnership see above	27. Date received (MM/YY) above	28. Amount of each Partnership Share \$580.00 MEMO
29. Description of Contribution Other (check box) <input type="checkbox"/> Monetary <input type="checkbox"/> General	30. Aggregate Year-to-Date \$580.00	31. Date received (MM/YY) above	32. Amount of each Partnership Share \$580.00 MEMO

connected committee sponsored by the firm—see below). Incidental expenses incurred to administer such plans do not trigger a requirement, on the part of the firm, to register as a political committee. See AOs 1984-18, 1982-13, 1981-50 and 1980-72 for more information.

7. Partnership PACs

A partnership may form its own *political committee* (a *nonconnected committee*) which, in turn, may make contributions to a party committee, subject to the \$5,000 per year limit. In this case, any administrative and solicitation costs paid by the partnership on behalf of the committee count as in-kind contributions to the committee.